



RECEIVED

DEC 29 2005

PUBLIC SERVICE  
COMMISSION

Cinergy Corp.  
139 East Fourth Street  
Rm 25 AT II  
P.O. Box 960  
Cincinnati, OH 45201-0960  
tel 513.287.3601  
fax 513.287.3810  
jfinnigan@cinergy.com

**John J. Finnigan, Jr.**  
Senior Counsel

**VIA OVERNIGHT MAIL**

December 27, 2005

Ms. Elizabeth O'Donnell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

Re: The Annual Cost Recovery Filing for Demand Side Management by The Union  
Light, Heat and Power Company Case No. 2005-00402

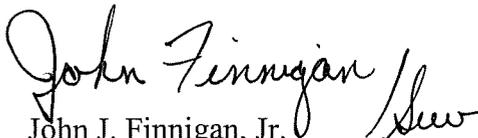
Dear Ms. O'Donnell:

Enclosed please find an original and twelve copies of Appendix D which was inadvertently omitted from the Addendum to the Filing of the Annual Status Report, Application for Continuation and Adjustment of the 2005 DSM Cost Recovery Mechanism, which was docketed on December 22, 2005, in the above-referenced case.

Please file stamp and return the two extra copies to me in the enclosed envelope.

Thank you.

Sincerely,

  
John J. Finnigan, Jr.  
Senior Counsel

JJF/sew

cc: All counsel of record (w/enclosure)

Revised Appendix D

Comparison of Revenue Requirement to Rider Recovery

Residential Programs	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Projected Program Costs 7/2004 to 6/2005 (A)	Projected Lost Revenues 7/2004 to 6/2005 (A)	Projected Shared Savings 7/2004 to 6/2005 (A)	Program Expenditure: 7/04 through 6/05 (B)	Gas	Program Expenditures (C) Electric	Lost Revenues 7/04 through 6/05 (B)	Shared Savings 7/04 through 6/05 (B)	2004 Reconciliation Gas (D) Electric (E)	Rider Collection (F) Gas Electric	(Over)/Under Collection Gas (G) Electric (H)			
Res. Conservation & Energy Education	\$ 499,800	\$ 7,742	\$ (8,996)	\$ 471,174	\$ 296,368	\$ 174,806	\$ 77	\$ (383)	NA	NA	NA	NA	NA	NA
Refrigerator Replacement	\$ 100,000	\$ 2,848	\$ 4,700	\$ 53,589	\$ -	\$ 53,589	\$ 270	\$ 751	NA	NA	NA	NA	NA	NA
Residential Home Energy House Call	\$ 150,000	\$ 37,820	\$ 81,750	\$ 112,147	\$ 70,540	\$ 41,607	\$ 1,205	\$ 10,991	NA	NA	NA	NA	NA	NA
Res. Comprehensive Energy Education	\$ 81,500	\$ -	\$ -	\$ 76,856	\$ 48,342	\$ 28,514	\$ -	\$ -	NA	NA	NA	NA	NA	NA
Home Energy Assistance Plus	\$ 75,000	\$ -	\$ -	\$ 28,573	\$ -	\$ 28,573	\$ -	\$ -	NA	NA	NA	NA	NA	NA
Power Manager	\$ 750,000	\$ -	\$ 60,000	\$ 782,927	\$ -	\$ 782,927	\$ -	\$ 21,023	NA	NA	NA	NA	NA	NA
Program Development Funds	\$ 140,000	\$ -	\$ -	\$ 88,578	\$ 55,715	\$ 32,863	\$ -	\$ -	NA	NA	NA	NA	NA	NA
Energy Star Products	\$ 243,000	\$ 126,096	\$ 51,220	\$ -	\$ -	\$ -	\$ -	\$ -	NA	NA	NA	NA	NA	NA
Energy Efficiency Website	\$ 17,850	\$ 9,577	\$ 4,195	\$ -	\$ -	\$ -	\$ -	\$ -	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>\$ 2,057,150</b>	<b>\$ 184,083</b>	<b>\$ 192,869</b>	<b>\$ 1,613,844</b>	<b>\$ 470,965</b>	<b>\$ 1,142,879</b>	<b>\$ 1,552</b>	<b>\$ 32,382</b>	<b>\$ 1,735,648</b>	<b>\$ 565,859</b>	<b>\$ 1,800,320</b>	<b>\$ 1,989,171</b>	<b>\$ 406,293</b>	<b>\$ (226,499)</b>

(A) Amounts identified in report filed on September 30, 2004.

(B) Actual program expenditures, lost revenues, and shared savings for the period July 1, 2004 through June 30, 2005.

(C) Allocation of program expenditures to gas and electric. Uses 62.9% gas based upon saturation of gas space heating.

(D) Recovery allowed in accordance with the Commission's Order in Case No. 2004-00389.

(E) Recovery allowed in accordance with the Commission's Order in Case No. 2004-00389.

(F) Revenues collected through the DSM Rider between July 1, 2004 and June 30, 2005.

(G) Column (5) + Column (9) - Column(11).

(H) Column (6) + Column (7) + Column (8) + Column (10) - Column(12).

Commercial Programs	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Projected Program Costs 7/2004 to 6/2005 (A)	Projected Lost Revenues 7/2004 to 6/2005 (A)	Projected Shared Savings 7/2004 to 6/2005 (A)	Program Expenditure: 7/04 through 6/05 (B)	Lost Revenues 7/04 through 6/05 (B)	Shared Savings 7/04 through 6/05 (B)	2004 Reconciliation (C)	Rider Collection (D)	((Over)/Under Collection (E)
High Efficiency Program									
Lighting	\$ 52,380	\$ 17,482	\$ 2,674	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HVAC	\$ 35,690	\$ 6,661	\$ 3,647	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Motors	\$ 25,169	\$ 5,210	\$ 6,430	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 112,703	\$ 74,709	\$ 112,207	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 225,942</b>	<b>\$ 104,062</b>	<b>\$ 124,958</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,228,123.00)</b>	<b>\$ (811,165)</b>	<b>\$ (416,958)</b>

(A) Amounts identified in report filed on September 30, 2004.

(B) Actual program expenditures, lost revenues, and shared savings for the period July 1, 2004 through June 30, 2005.

(C) Recovery allowed in accordance with the Commission's Order in Case No. 2004-00389.

(D) Revenues collected through the DSM Rider between July 1, 2004 and June 30, 2005.

(E) Column (4) + Column (5) + Column (6) + Column (7) - Column (8)

Revised Appendix D

2006 Projected Program Costs, Lost Revenues, and Shared Savings

Residential Program Summary

	<u>Costs</u>	<u>Lost Revenues</u>	<u>Shared Savings</u>	<u>Total</u>	<u>Allocation of Costs</u>		<u>Budget (Costs, Lost Revenues, &amp; Shared Savings)</u>		
					<u>Electric</u>	<u>Gas</u>	<u>Electric Costs</u>	<u>Electric</u>	<u>Gas Costs</u>
Residential - Current Programs/Measures									
Residential Conservation & Energy Education	\$ 499,800	\$ 1,283	\$ (1,340)	\$ 499,743	37.1%	62.9%	\$ 185,426	\$ 185,369	\$ 314,374
Refrigerator Replacement	\$ 100,000	\$ 3,188	\$ 2,254	\$ 105,442	100.0%	0.0%	\$ 100,000	\$ 105,442	\$ -
Home Energy House Call	\$ 150,000	\$ 15,771	\$ 26,686	\$ 192,457	37.1%	62.9%	\$ 55,650	\$ 98,107	\$ 94,350
Residential Comprehensive Energy Education	\$ 81,500	\$ -	\$ -	\$ 81,500	37.1%	62.9%	\$ 30,237	\$ 30,237	\$ 51,264
Home Energy Assistance Plus (continuing)	\$ 75,000	\$ -	\$ -	\$ 75,000	37.1%	62.9%	\$ 27,825	\$ 27,825	\$ 47,175
Power Manager	\$ 750,000	\$ -	\$ 70,463	\$ 820,463	100.0%	0.0%	\$ 750,000	\$ 820,463	\$ -
Program Development Funds	\$ 140,000	\$ -	\$ -	\$ 140,000	37.1%	62.9%	\$ 51,940	\$ 51,940	\$ 88,060
Energy Star Products	\$ 240,430	\$ 126,096	\$ 51,220	\$ 417,746	100.0%	0.0%	\$ 240,430	\$ 417,746	\$ -
CFL's (Compact Fluorescent Lights)									
Torchieres (Floor lamps)									
Energy Efficiency Web Site	\$ 21,493	\$ 9,577	\$ 4,195	\$ 35,265	37.1%	62.9%	\$ 7,974	\$ 21,746	\$ 13,519
Personalized Energy Report Program	\$ 109,246			\$ 109,246	37.1%	62.9%	\$ 40,530	\$ 40,530	\$ 68,716
Total Costs, Net Lost Revenues, Shared Savings	\$ 2,167,469	\$ 155,915	\$ 153,478	\$ 2,476,862			\$ 1,490,011	\$ 1,799,404	\$ 677,458

Small C&I DSM Program Summary

	<u>Costs</u>	<u>Lost Revenues</u>	<u>Shared Savings</u>	<u>Total</u>	<u>Allocations</u>		<u>Budget (Costs, Lost Revenues, &amp; Shared Savings)</u>		
					<u>Electric</u>	<u>Gas</u>	<u>Electric Costs</u>	<u>Electric</u>	<u>Gas</u>
High Efficiency Program									
Lighting	\$ 80,548	\$ 36,585	\$ 1,959	\$ 119,092	100.0%	0.0%	\$ 80,548	\$ 119,092	NA
HVAC	\$ 15,390	\$ 1,219	\$ (274)	\$ 16,335	100.0%	0.0%	\$ 15,390	\$ 16,335	NA
Motors	\$ 6,047	\$ 2,828	\$ 5,670	\$ 14,545	100.0%	0.0%	\$ 6,047	\$ 14,545	NA
Other	\$ -	\$ -	\$ -	\$ -	100.0%	0.0%	\$ -	\$ -	NA
Total	\$ 101,985	\$ 40,632	\$ 7,355	\$ 149,972			\$ 101,985	\$ 149,972	

Revised Appendix D

Page 3 of 5

The Union Light Heat and Power Company  
Demand Side Management Cost Recovery Rider (DSMR)  
Summary of Calculations for 2006 Programs

January, 2006 through December, 2006

	Program Costs (A)
<u>Electric Rider DSM</u>	
Residential Rate RS	\$ 1,799,404
Distribution Level Rates DS, DP, DT, GS-FL, EH & SP	\$ 149,972
<u>Gas Rider DSM</u>	
Residential Rate RS	\$ 677,458

(A) See Appendix D, page 2 of 5.



Revised Appendix D

The Union Light Heat and Power Company  
 Demand Side Management Cost Recovery Rider (DSMR)  
 Summary of Calculations

January, 2006 through December, 2006

---

Rate Schedule	True-Up Amount (A)	Expected Program Costs (B)	Total DSM Revenue Requirements	Estimated Billing Determinants (C)	DSM Cost Recovery Rider (DSMR)
<u>Electric Rider DSM</u> Residential Rate RS	\$ (231,867)	\$ 1,799,404	\$ 1,567,537	1,451,109 mWh	\$ 0.001080 \$/kWh
Distribution Level Rates DS, DP, DT, GS-FL, EH & SP	\$ (426,840)	\$ 149,972	\$ (276,868)	2,285,632 mWh	\$ (0.000121) \$/kWh
<u>Gas Rider DSM</u> Residential Rate RS	\$ 415,922	\$ 677,458	\$ 1,093,380	7,702,477 MCF	\$ 0.141952 \$/MCF
Total Recovery			\$ 2,384,049		

(A) (Over)/Under of Appendix D page 1 multiplied by 1.0237 for 2005 for the average three-month commercial paper rate to include interest on over or under-recovery.

(B) Appendix D, page 2.

(C) Appendix D, page 4.